



**CONDENSED INTERIM
CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS
ENDED AUGUST 31, 2023 AND 2022
(expressed in Canadian Dollars)**

**NOTICE OF NO AUDITOR REVIEW
OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED AUGUST 31, 2023 & 2022**

The accompanying condensed interim consolidated financial statements of Stuhini Exploration Ltd. (the “Company”) for the three and six months ended August 31, 2023 and 2022, have been prepared by, and are the responsibility of, the Company’s management.

The Company’s independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of the condensed interim consolidated statements by an entity’s auditor. These unaudited condensed interim consolidated financial statements include all adjustments, consisting of normal and recurring items, that management considers necessary for a fair presentation of the financial position, results of operations and cash flows.

STUHINI EXPLORATION LTD.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
(Unaudited)



As at	Note	August 31, 2023	February 28, 2023
ASSETS			
Current			
Cash		\$ 1,865,220	\$ 960,451
GST receivable		43,568	119,981
Prepaid expenses	10	123,905	133,580
Marketable securities	9	175,000	195,000
Total current		2,207,693	1,409,012
Exploration and evaluation assets	5	9,847,550	8,191,889
Reclamation bond	5	185,963	85,963
Equipment		1,266	1,486
Total assets		\$ 12,242,472	\$ 9,688,350
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current			
Accounts payable		\$ 90,967	\$ 74,462
Accrued liabilities		19,817	42,916
Due to related parties	8	60,729	52,955
Flow-through share premium liability	7	-	11,044
Total current		171,513	181,377
Deferred tax liability		293,000	343,000
Total liabilities		464,513	524,377
Shareholders' equity			
Share capital	6	13,816,997	10,877,958
Reserves	6	948,739	681,661
Deficit		(2,987,777)	(2,395,646)
Total shareholders' equity		11,777,959	9,163,973
Total liabilities and shareholders' equity		\$ 12,242,472	\$ 9,688,350

Nature and continuance of operations (Note 1)

Approved and authorized for issuance on behalf of the Board of Directors on October 30, 2023:

"David O'Brien"
David O'Brien, Director

"Josef Anthony Fogarassy"
Josef Anthony Fogarassy, Director

STUHINI EXPLORATION LTD.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)
(Unaudited)



		Three months ended		Six months ended	
		August 31,		August 31,	
	Note	2023	2022	2023	2022
Expenses:					
Advertising and promotion		\$ 33,347	\$ 22,818	\$ 80,374	\$ 75,936
Amortization		105	18	220	58
Consulting fees	8	61,408	50,562	205,770	137,837
Office expenses		7,460	8,219	13,880	16,292
Project investigation costs		960	(15,024)	3,560	20,647
Professional fees	8	46,644	15,504	80,661	29,350
Regulatory fees		19,756	5,224	28,311	14,647
Share-based compensation	6,8	72,511	8,520	212,188	31,608
Travel, meals, and entertainment		2,594	9,276	8,211	13,248
Operating expenses		(244,785)	(105,117)	(633,175)	(339,623)
Other items					
Unrealized loss on marketable securities	9	15,000	(24,000)	(20,000)	(42,000)
Recovery of flow-through share premium liabilities	7	-	63,020	11,044	63,020
Interest expense		-	(1,264)	-	(1,264)
Net loss		(229,785)	(67,361)	(642,131)	(319,867)
Income tax – deferred		24,000	-	50,000	-
Comprehensive loss		\$(205,785)	\$ (67,361)	\$(592,131)	\$ (319,867)
Loss per share, basic and diluted		\$ (0.01)	\$ (0.00)	\$ (0.01)	\$ (0.01)
Weighted average number of common shares outstanding; basic and diluted		46,260,302	27,111,951	44,766,620	26,613,451

STUHINI EXPLORATION LTD.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(Expressed in Canadian Dollars)
(Unaudited)



	Number of Shares	Share Capital	Reserves	Deficit	Total
Balance, February 28, 2022	25,972,776	\$ 7,092,975	\$ 578,182	\$ (1,558,855)	\$ 6,112,302
Private placements	4,520,135	1,974,436	-	-	1,974,436
Share issuance costs	-	(125,203)	6,777	-	(118,426)
Flow-through share premium	-	(166,382)	-	-	(166,382)
Shares issued for property	75,000	62,250	-	-	62,250
Shares issued on exercise of options	100,000	81,000	(21,000)	-	60,000
Share-based compensation	-	-	65,415	-	65,415
Net loss for the period ended	-	-	-	(319,867)	(319,867)
Balance, August 31, 2022	30,667,911	\$ 8,919,076	\$ 629,374	\$ (1,878,722)	\$ 7,669,728
Balance, February 28, 2023	38,492,911	\$ 10,877,958	\$ 681,661	\$ (2,395,646)	\$ 9,163,973
Private placements	6,000,000	2,400,000	-	-	2,400,000
Share issuance costs	-	(61,086)	3,750	-	(57,336)
Shares issued for property	1,862,500	600,125	-	-	600,125
Share-based compensation	-	-	263,328	-	263,328
Net loss for the period ended	-	-	-	(592,131)	(592,131)
Balance, August 31, 2023	46,355,411	\$ 13,816,997	\$ 948,739	\$ (2,987,777)	\$ 11,777,959

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

STUHINI EXPLORATION LTD.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
(Unaudited)



	Six months ended	
	August 31,	
	2023	2022
Cash flows provided by (used in) operating activities		
Loss for the period	\$ (592,131)	\$ (319,867)
Items not affecting cash used in operations		
Amortization	220	58
Accrued interest	-	1,264
Foreign exchange loss	-	(703)
Income taxes	(50,000)	-
Recovery of flow-through share premium liabilities	(11,044)	(63,020)
Share-based compensation	263,328	65,415
Unrealized loss on marketable securities	20,000	42,000
Changes in non-cash working capital items		
GST receivable	76,413	46,397
Prepaid expenses	9,675	21,775
Accounts payable	(1,047)	(4,105)
Accrued liabilities	(31,638)	169,685
Due to related parties	3,776	149,286
Net cash provided by (used in) operating activities	(312,448)	108,185
Cash flows used in investing activities		
Exploration and evaluation assets, net of tax credits	(1,025,447)	(1,221,927)
Funds paid for reclamation bond	(100,000)	(37,207)
Net cash used in investing activities	(1,125,447)	(1,259,134)
Cash flows provided by financing activities		
Issuance of shares for cash, net of issuance costs	2,342,664	1,856,010
Issuance of shares on exercise of options	-	60,000
Net cash provided by financing activities	2,342,664	1,916,010
Change in cash	904,769	765,061
Cash, beginning	960,451	953,389
Cash, ending	\$ 1,865,220	\$ 1,718,450
Non-cash transactions:		
Shares issued for property	\$ 600,125	\$ 62,250
Deferred exploration costs included in accounts payable, accrued liabilities, and amounts due to related parties	\$ 30,088	\$ -

STUHINI EXPLORATION LTD.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

THREE AND SIX MONTHS ENDED AUGUST 31, 2023 AND 2022

(Expressed in Canadian Dollars)

(Unaudited)



1. NATURE AND CONTINUANCE OF OPERATIONS

Stuhini Exploration Ltd. (the “Company”) was incorporated under the Business Corporations Act (British Columbia) on July 7, 2017. The Company is focused on acquisition, exploration, and development of mineral properties in Western Canada, namely the Provinces of British Columbia (“BC”) and Manitoba, and Yukon. The Company’s shares (“Common Shares”) are traded on the TSX Venture Exchange (the “Exchange”) under the symbol “STU.” On April 4, 2022, the Company incorporated Arizada Metals Corp. (“Arizada”) under the Arizona Business Corporations Act. The Company holds 100% of the issued and outstanding shares of Arizada, which has acquired mineral properties in Arizona, USA. The Company’s head office and registered records office address is 1245 Broadway W., Unit 105, Vancouver, BC V6H 1G7.

These condensed interim consolidated financial statements have been prepared with the going concern assumption, which assumes that the Company will continue in operation for the foreseeable future and, accordingly, will be able to realize its assets and discharge its liabilities in the normal course of operations. The Company’s ability to realize its assets and discharge its liabilities is dependent upon the Company obtaining the necessary financing and ultimately upon its ability to achieve profitable operations. These material uncertainties may cast significant doubt on the Company’s ability to continue as a going concern. These condensed interim consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities, the reported revenues and expenses, and the statement of financial position classifications used, that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

Failure to arrange adequate financing on acceptable terms and/or achieve profitability may have an adverse effect on the financial position, results of operations, cash flows and prospects of the Company. These condensed interim consolidated financial statements do not give effect to adjustments to assets or liabilities that would be necessary should the Company be unable to continue as a going-concern. These adjustments could be material.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

Statement of Compliance and Basis of Presentation

These condensed interim consolidated financial statements have been prepared in accordance with accounting policies consistent with International Financial Reporting Standards (“IFRS”) IAS 34 – Interim Financial Reporting as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). The condensed interim consolidated financial statements, prepared in conformity with accounting policies consistent with IAS 34, follow the same accounting principles and methods of application as the most recent audited annual financial statements. Since the condensed interim consolidated financial statements do not include all disclosures required by the IFRS for annual financial statements, they should be read in conjunction with the Company’s audited consolidated financial statements for the year ended February 28, 2023.

The condensed interim consolidated financial statements were authorized for issue by the board of directors on October 30, 2023.

Basis of Presentation and Consolidation

The condensed interim consolidated financial statements of the Company as at and for the three- and six-month periods ended August 31, 2023, and 2022 comprise the Company and its wholly-owned subsidiary, Arizada, (together referred to as “Stuhini” or the “Company”). Arizada is consolidated from the date of its incorporation, as Stuhini is the sole shareholder and therefore has the control and power to govern the financial and operating policies of Arizada as to obtain benefits from its activities. The Company will continue to consolidate until the date Stuhini no longer has control over Arizada. The financial statements of Arizada are prepared for the same reporting period as the parent company, using consistent accounting policies. Balances, transactions, income and expenses between Stuhini and Arizada are eliminated on consolidation.

The condensed interim consolidated financial statements have been prepared on an accrual basis and are based on historical costs, except certain financial instruments, which are recorded at fair value. All amounts are expressed in Canadian dollars.

The preparation of condensed interim consolidated financial statements in compliance with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported expenses during the year. Actual results could differ from these estimates. The areas involving significant assumptions and estimates are disclosed in Note 3.

Functional and Presentation Currencies

The functional currency of the Company is the Canadian dollar. The functional currency of the Company's subsidiary, Arizada, is also the Canadian dollar, which is determined to be the currency of the primary economic environment in which Arizada operates.

Reclassification

Certain comparative figures have been reclassified to conform to the current period presentation. These reclassifications had no effect on the reported results of operations.

Accounting Standards Issued but not yet Effective

A number of new accounting standards, amendments to standards, and interpretations have been issued but not yet effective up to the date of issuance of the Company's condensed interim consolidated financial statements. The Company intends to adopt the standards when they become effective. The Company has not yet determined the impact of these standards on its consolidated financial statements but does not anticipate that the impact will be significant.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of these condensed interim consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and contingent liabilities at the date of the condensed interim consolidated financial statements and reported amounts of expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Critical judgments in applying accounting policies

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements:

- the classification/allocation of expenses as exploration and evaluation expenditures or operating expenses;
- the classification and measurement of the Company's financial assets and liabilities;
- the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty; and
- the determination whether there have been any events or changes in circumstances that indicate the impairment of its exploration and evaluations assets.

Key sources of estimation uncertainty include the following:

- the recoverability of the carrying value of exploration and evaluation assets when impairment indicators exist;
- recoverability and measurement of deferred tax assets;
- provisions for restoration and environmental obligations and contingent liabilities; and
- measurement of share-based payments.

STUHINI EXPLORATION LTD.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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(Unaudited)

**4. FINANCIAL INSTRUMENTS AND RISKS**

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels at the fair value hierarchy are:

Level 1 — quoted prices in active markets for identical assets and liabilities.

Level 2 — observable inputs other than quoted prices in active markets for identical assets and liabilities.

Level 3 — unobservable inputs in which there is little or no market data available, which require the reporting entity to develop its own assumptions.

Categories of financial instruments

As at:	August 31, 2023	February 28, 2023
Financial assets:		
FVTPL		
Cash	\$ 1,865,220	\$ 960,451
Marketable securities	\$ 175,000	\$ 195,000
Financial liabilities:		
Amortized cost		
Accounts payable	\$ 90,967	\$ 74,462
Accrued liabilities	\$ 19,817	\$ 42,916
Due to related parties	\$ 60,729	\$ 52,955

Assets and liabilities measured at fair value on a recurring basis:

As at August 31, 2023	Level 1	Level 2	Level 3	Total
Cash	\$ 1,865,220	\$ -	\$ -	\$ 1,865,220
Marketable securities	175,000	-	-	175,000
	\$ 2,040,220	\$ -	\$ -	\$ 2,040,220

Accounts payable, accrued liabilities, and due to related parties approximate their fair value due to the short-term nature of these instruments.

Risk management

The Company has exposure to the following risks from its use of financial instruments: credit risk, market risk and liquidity risk. Management, the Board of Directors, and the Audit Committee monitor risk management activities and review the adequacy of such activities.

Credit risk:

Credit risk is the risk of potential loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is limited to the carrying amount on the statement of financial position and arises from the Company's cash, which is held with a high-credit quality financial institution and amounts receivable from the Government of Canada. As such, the Company's credit risk exposure is minimal.

Market risk:

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, equity prices, and commodity prices.

i. Interest rate risk:

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at August 31, 2023, the Company had no interest accumulating financial assets that could become susceptible to interest rate fluctuations. In September of 2023, the Company deposited a total of \$1,200,000 in

STUHINI EXPLORATION LTD.

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short-term guaranteed investment certificates (“GIC”) with varying maturities, which are held at the major Canadian banking institution. The Company believes that the interest rate risk continues to be low.

ii. Currency risk:

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company’s main operations currently are in Canada; the Company does not have a permanent presence, other than the required statutory agent, in Arizona. The Company holds its cash in Canadian dollars and pays its US vendors by converting its Canadian dollar cash to the US dollars on as needed basis. A significant change in the currency exchange rates between the Canadian dollar relative to US dollar could have an effect on the Company’s results of operations, financial position, and/or cash flows. At August 31, 2023, the Company had no hedging agreements in place with respect to foreign exchange rates. As the majority of the transactions of the Company are denominated in Canadian dollars movements in the foreign exchange rates are not expected to have a material impact on the consolidated statements of comprehensive loss.

iii. Equity price risk:

Equity price risk is the risk that the fair value of equities decreases as a result of changes in the levels of equity indices and the value of individual stocks. The Company is exposed to equity price risk as a result of its investment in marketable securities following the sale of the Metla Property in exchange for common shares of Brixton (Notes 5 and 9). The Company closely monitors the commodity markets and the stock market generally as well as individual equity movements in order to determine the appropriate course of action to be taken with respect to its interest in marketable securities.

iv. Commodity price risk:

Commodity price risk is defined as the potential adverse impact on the Company’s earnings and economic value due to movements in commodity prices and volatilities thereto. The Company closely monitors the commodity prices of precious metals and base metals including molybdenum, nickel, zinc and copper, as well as the stock market in order to determine the appropriate course of action to be taken by the Company.

Liquidity risk:

Liquidity risk is managed by ensuring sufficient financial resources are available to meet obligations associated with financial liabilities. The Company manages liquidity risk through the management of its capital structure. As at August 31, 2023, the Company had cash of \$1,865,220 to settle current financial liabilities of \$171,513.

The following table details the remaining contractual maturities of the Company’s financial liabilities as of August 31, 2023:

	Within 1 year	1-5 years	5+ years
Accounts payable and accrued liabilities	\$ 110,784	\$ -	\$ -
Amounts due to related parties	60,729	-	-
	\$ 171,513	\$ -	\$ -

STUHINI EXPLORATION LTD.

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THREE AND SIX MONTHS ENDED AUGUST 31, 2023 AND 2022

(Expressed in Canadian Dollars)

(Unaudited)

**5. EXPLORATION AND EVALUATION ASSETS**

Exploration and evaluation assets consist of the Ruby Creek, the Que, the South Thompson, the Big Ledge, and the Arizona Properties. The costs incurred on the Company's exploration and evaluation assets are summarized as follows:

As at August 31, 2023	Ruby Creek Property	Que Property	South Thompson Property	Big Ledge Property	Arizona Properties	Total
Total exploration and evaluation assets, February 28, 2023	\$ 7,528,034	\$ 320,235	\$ 41,762	\$248,903	\$ 52,955	\$8,191,889
Acquisition/option payments	1,173,750	66,375	302	-	39,985	1,280,412
Additions, acquisition costs	1,173,750	66,375	302	-	39,985	1,280,412
Deferred exploration costs:						
Assaying	19,978	-	-	-	-	19,978
Camp and travel	77,538	-	-	1,855	26,156	105,549
Equipment use/rental	53,995	-	-	1,881	15,395	71,271
Geology	94,069	7,168	-	39,750	37,464	178,451
Additions, deferred exploration costs	245,580	7,168	-	43,486	79,015	375,249
Total exploration and evaluation assets, August 31, 2023	\$ 8,947,364	\$ 393,778	\$ 42,064	\$292,389	\$ 171,955	\$9,847,550

As at February 28, 2023	Ruby Creek Property	Que Property	South Thompson Property	Big Ledge Property	Arizona Properties	Total
Total exploration and evaluation assets, February 28, 2022	\$ 4,567,297	\$ 245,246	\$ 31,778	\$174,411	\$ -	\$ 5,018,732
Mineral tenure/lease payments	98,640	-	401	-	52,213	151,254
Acquisition/option payments	913,984	62,250	3,553	-	-	979,787
Additions, acquisition costs	1,012,624	62,250	3,954	-	52,213	1,131,041
Deferred exploration costs:						
Assaying	102,584	854	-	-	-	103,438
Camp and travel	330,505	7,512	2,557	-	-	340,574
Drilling	548,403	-	-	-	-	548,403
Equipment use/rental	284,173	-	-	-	-	284,173
Geology	682,487	4,373	3,473	74,492	742	765,567
Additions, deferred exploration costs	1,948,152	12,739	6,030	74,492	742	2,042,155
Exploration tax credits received	(39)	-	-	-	-	(39)
Total exploration and evaluation assets, February 28, 2023	\$ 7,528,034	\$ 320,235	\$ 41,762	\$248,903	\$ 52,955	\$8,191,889

In addition to the above property acquisition and exploration costs, at August 31, 2023, the Company had \$56,976 in prepayments on the future exploration programs on its mineral properties (February 28, 2023 - \$87,913), which were recorded as part of prepaid expenses (Note 10).

STUHINI EXPLORATION LTD.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

THREE AND SIX MONTHS ENDED AUGUST 31, 2023 AND 2022

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(Unaudited)

**Ruby Creek Property**

On July 30, 2019, the Company entered into an option agreement (the “Ruby Creek Option Agreement”) with Global Drilling Solutions Inc. (“Global Drilling”), a private BC corporation wholly owned by Barry Hanslit, the Company’s co-founder and a major shareholder, whereby the Company was granted a right to acquire a 100% interest in Global Drilling’s Ruby Creek Property (the “Ruby Creek Option”). The Ruby Creek Property is located within the Atlin Mining Division of BC approximately 20 kilometres (“km”) east of Atlin and, as initially acquired, consisted of 49 contiguous mineral claims of which one is a mining lease.

Based on the Ruby Creek Option Agreement, to fully exercise its Ruby Creek Option, the Company was required to issue a total of 7,300,000 Common Shares and make cash payments for a total of \$1,060,000 over a four-year term, as detailed in the table below. Upon exercise of the Ruby Creek Option, Global Drilling would be entitled to a 1% net smelter returns royalty (“NSR”) on portions of the Ruby Creek Property originally optioned by Global Drilling to the Company.

Date	Common Shares	Cash Payments
December 31, 2019 (Common Shares issued)	800,000	\$ -
On or before December 31, 2020 (Common Shares issued)	1,250,000	-
On or before December 31, 2021 (Common Shares issued, note payable issued)	1,750,000	120,000
On or before December 31, 2022 (Common Shares issued, cash payment made)	1,750,000	300,000
On or before December 31, 2023 (Common Shares issued, cash payment made)	1,750,000	640,000
Total	7,300,000	\$ 1,060,000

On June 5, 2023, the Company exercised its option to acquire the Ruby Creek Property by issuing the final 1,750,000 Common Shares valued at \$533,750 and making a cash payment of \$640,000 to Global Drilling pursuant to the terms of the Ruby Creek Option Agreement. In addition, the Company paid \$100,000 cash to Global Drilling associated with the reclamation bond on the existing Mines Act permit on the Ruby Creek Molybdenum Project. Concurrently, Global Drilling submitted a transfer of title application to the Ministry of Energy, Mines and Low Carbon Innovation to transfer the current \$100,000 reclamation bond held by the Government of BC, under Global Drilling’s title, to the Company.

In September of 2020, the Company staked additional claims covering a total of 619.38 hectares (“ha”) contiguous to the Ruby Creek Property and added these to the original claims. In July of 2021, with a cash payment of \$60,000, the Company acquired from Brixton Metals Corporation (“Brixton”) five (5) additional mineral claims (the “Island Claims”) that are contiguous with the Ruby Creek Property. 1% NSR is retained by Brixton and 1% NSR is retained by unrelated third parties from whom Brixton originally acquired these claims. In February of 2023, the Company staked an additional claim covering a total of 848.10 ha contiguous to the Ruby Creek Property which was also added to the original Ruby Creek Property. Subsequent to August 31, 2023, the Company staked an additional 1,392 ha. The new claims were added to the Ruby Creek Property increasing total claims to 58 claims, roughly 31,126 ha.

The mineral lease, associated with the historical Molybdenum deposit, included as part of the Ruby Creek Property is subject to an annual flat fee lease payment of \$49,320 with no work requirement. The Company decided to renew the 2023/24 year lease in February of 2023, ahead of schedule, extending the lease until March 27, 2024. Therefore the \$49,320 annual lease payment was included in the Company’s property acquisition costs for the year ended February 28, 2023.

During the six-month period ended August 31, 2023, the Company spent \$245,580 (February 28, 2023 - \$1,948,152) in deferred exploration costs associated with the exploratory, drilling, and mine development programs on Ruby Creek Property.

As at August 31, 2023, the Company had a total of \$125,000 in reclamation bonds on deposit with the BC Ministry of Energy, Mines and Low Carbon Innovation in connection with the Ruby Creek Property.

Que Property

On February 17, 2020, the Company entered into an option agreement (the “Que Option Agreement”), whereby the Company was granted a right to acquire a 100% interest in the Que Property (the “Que Option”) located in southcentral Yukon. The Que Option Agreement was amended and restated with the vendors on February 28, 2020 (the “Amended Que Option Agreement”).

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(Unaudited)



The Que Option Agreement, as amended and restated, was conditional on acceptance for filing by the Exchange, which was received on April 1, 2020. The Que Property consisted of 108 mineral claims and was 2,246 ha in size. During the year ended February 28, 2021, the Company staked an additional 96 claims (1,996 ha) bringing the entire claims package to 204 claims (4,243 ha).

Based on the Amended Que Option Agreement, to fully exercise its Que Option, the Company was required to issue a total of 2,950,000 Common Shares and make cash payments for a total of \$380,000 over a four-year term to the Que vendors. Upon receipt of assays showing no significant mineralization from a shallow early stage 2-hole drill program, the Company commenced renegotiating the Amended Que Option Agreement. The further amended and restated option agreement was finalized on October 26, 2020, and its material terms are detailed in the table below.

Date	Common Shares	Cash Payment
April 1, 2020 (Common Shares issued)	200,000	\$ -
1st Anniversary of Approval (Common Shares issued)	50,000	-
2nd Anniversary of Approval (Common Shares issued)	75,000	-
3rd Anniversary of Approval (Common Shares issued) ⁽¹⁾	112,500	-
4th Anniversary of Approval	125,000	35,000
5th Anniversary of Approval	375,000	60,000
Total	937,500	\$ 95,000

- (1) The Company issued 112,500 Common Shares representing the 3rd anniversary option payment on March 23, 2023. The Common Shares were valued at \$66,375.

During the six-month period ended August 31, 2023, the Company spent \$7,168 (February 28, 2023 - \$12,739) in deferred exploration costs associated with the exploratory program on the Que Property.

South Thompson Property

During the year ended February 28, 2022, the Company staked seven mineral exploration licenses (“MEL”) totalling approximately 47,509 ha along the southern extent of the Thompson Nickel Belt, approximately 35 km northwest of Grand Rapids, Manitoba (the “South Thompson Property”). On March 25, 2022, the Company applied for a 5-year mineral license for an additional MEL totalling 15,368 ha in size in order to consolidate areas of interest that overlap three of the previously held land parcels. On September 13, 2022, the Company was approved for a five-year MEL for an additional 15,368 ha. The Company dropped four of previous seven MEL’s outside the consolidated area and received approval in September 2022 on a consolidated MEL package totaling approximately 30,336 ha.

The Company paid a total of \$3,223 in staking fees associated with the South Thompson Property. In addition, the Company paid \$3,856 in acquisition payments which were associated with the licensing negotiations with the local authorities overseeing the staked claims.

On May 23, 2023, the Company entered into a purchase agreement with a vendor (the “Purchase Agreement”) for the acquisition of strategic information and access to a proprietary database of mineral prospects in Arizona and Manitoba (“Strategic Information”). As a result, the Company agreed to compensate the vendor by granting him a 1% NSR royalty (the “Manitoba NSR Royalty”) in respect of all concentrates and ores produced from the South Thompson Property, with an option to repurchase at any time 0.5% of the Manitoba NSR Royalty for a consideration of \$50,000.

During the six-month period ended August 31, 2023, the Company did not have any deferred exploration costs associated with the South Thompson Property (February 28, 2023 - \$6,030).

As at August 31, 2023, the Company had a \$41,500 reclamation bond on deposit with the Manitoba Ministry of Innovation, Energy and Mines in connection with the South Thompson Property.

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Big Ledge Property

On July 26, 2021, the Company acquired the Big Ledge Property located in southeast BC approximately 57 km south of the city of Revelstoke. The Big Ledge Property was acquired from a director to the Company for nominal consideration of \$10. The Big Ledge Property is approximately 5,094 ha in size. No royalties, finder's fees or work commitments are associated with this property or the transaction. During the six-month period ended August 31, 2023, the Company spent \$43,486 (February 28, 2023 - \$74,492) in deferred exploration costs associated with the Big Ledge Property.

Arizona Properties

In June 2022, the Company, through Arizada, acquired by staking and through the acquisition of Mineral Exploration Permits, four new properties, covering a total of 3,781 ha, in the southeast quadrant of Arizona (the "Arizona Properties"). The Company paid \$52,213 in staking and permitting fees associated with the Arizona Properties.

On May 23, 2023, the Company entered into a purchase agreement with a vendor (the "Purchase Agreement") for the acquisition of strategic information and access to a proprietary database of mineral prospects in Arizona and Manitoba ("Strategic Information"). The Company made a \$35,000 cash payment on signing of the Purchase Agreement and agreed to additional annual cash payments in respect of each Arizona property for a total of \$620,000 (provided the Company has not abandoned such properties prior thereto) expiring on May 25, 2027. The Company also agreed to 1% net smelter returns royalty (the "NSR Royalty") in respect of all ores and concentrates produced from the Arizona Properties upon achieving commercial production, with an option to repurchase 0.5% NSR Royalty on any of the four Arizona Properties for consideration of \$1,000,000 per Arizona Property. During the six-month period ended August 31, 2023, the Company spent an additional \$4,985 in due-diligence costs which were recorded as part of acquisition costs.

During May and June of 2023, the Company carried out a fieldwork program on Arizona claims. As a result of the fieldwork, the Arizona claims were reduced in size to 1,285 ha.

During the six-month period ended August 31, 2023, the Company spent \$79,014 (February 28, 2023 - \$742) in deferred exploration costs associated with the Arizona Properties.

In addition, in connection with the Arizona Properties the Company was required to put up a \$19,463 (US\$15,000) one-time reclamation bond with the Arizona State Land Department.

Metla Property

On July 7, 2017, the Company acquired from Barry Hanslit a title to the Metla Creek Claims (the "Metla Property"). The Metla Property consisted of seven contiguous mineral claims, located approximately 150 km south of the town of Atlin. On August 24, 2020, the Company entered into a mineral claim purchase agreement (the "Purchase Agreement") for the sale of 100% of its interest in the Metla Property to Brixton Metals Corporation ("Brixton"). The Purchase Agreement became effective on October 10, 2020. The Company retains a 1.0% NSR on the Metla Property.

6. SHARE CAPITAL

Authorized share capital

Unlimited number of Common Shares without par value.

Share issuances during the six-month period ended August 31, 2023

On March 17, 2023, the Company closed a non-brokered private placement (the "March Offering") by issuing a total of 6,000,000 units (the "March Units") at \$0.40 per March Unit for aggregate gross proceeds of \$2,400,000. Each March Unit consisted of one Common Share and one half of one Common Share purchase warrant (each whole warrant, a "March Warrant"). Each March Warrant is exercisable into one Common Share at a price of \$0.50 per Common Share expiring on March 17, 2025.

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In connection with the March Offering, the Company paid \$9,180 in cash finders' fees and \$48,156 in share issuance costs for regulatory and legal services. In addition, the Company issued a total of 22,950 non-transferable finders' warrants (the "March Finders' Warrants") to acquire one Common Share at a price of \$0.50 per Common Share until March 17, 2025. The March Finders' Warrants were valued at \$3,750 using the Black-Scholes Option Pricing Model with the following assumptions:

Expected Life of the March Finders' Warrants	2 years
Risk-Free Interest Rate	3.54 %
Expected Dividend Yield	Nil
Expected Stock Price Volatility	84.61%
Grant Date Fair Value	\$0.40

On March 23, 2023, the Company issued 112,500 Common Shares pursuant to the Que Option Agreement. The Common Shares were valued at \$66,375 (Note 5).

On June 5, 2023, pursuant to the Ruby Creek Option Agreement, the Company issued 1,750,000 Common Shares with a fair value of \$533,750 to Global Drilling (Note 5).

Stock purchase options

The Company has adopted a Rolling Stock Option Plan (the "Plan") pursuant to which options may be granted to directors, officers, employees, and consultants of the Company. Under the terms of the Plan, the Company can issue a maximum of 10% of the issued and outstanding Common Shares at the time of the grant. Options granted under the Plan, including vesting and the term, are determined by, and at the discretion of, the Board of Directors.

On March 6, 2023, the Company granted an option to acquire up to 100,000 Common Shares at \$0.50 per Common Share to a consultant. The option vests quarterly over a 12-month period from the date of grant in equal amounts starting on June 6, 2023, and expires on March 6, 2026. The Company estimated the fair value of the option to be \$38,345, of which \$29,727 were recorded as share-based expense during the six-month period ended August 31, 2023. The Company used the Black-Scholes Option Pricing Model with the following assumptions:

Expected Life of the Option	3 years
Risk-Free Interest Rate	4.00 %
Expected Dividend Yield	Nil
Expected Stock Price Volatility	92.53%
Grant Date Fair Value	\$0.60

The total share-based compensation related to the vesting of the options the Company granted during the six-month period ended August 31, 2023, and during the year ended February 28, 2023, was determined to be \$263,328 (August 31, 2022 - \$65,415). Of the total share-based payments, \$21,413 (August 31, 2022 - a recovery of \$2,400) was recorded as advertising and promotion expenses, and \$29,727 (August 31, 2022 - \$36,207) was recorded as consulting expense.

A continuity of options are as follows:

	Six months ended August 31, 2023		Year ended February 28, 2023	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Options outstanding, beginning	3,470,000	\$0.45	2,345,000	\$0.40
Granted	100,000	\$0.50	1,300,000	\$0.51
Exercised	-	n/a	(175,000)	\$0.44
Expired	(825,000)	\$0.52	-	n/a
Options outstanding, ending	2,745,000	\$0.44	3,470,000	\$0.45
Options exercisable, ending	2,070,000	\$0.42	2,270,000	\$0.44

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The options outstanding and exercisable at August 31, 2023, are as follows:

Number of Options Outstanding	Number of Options Exercisable	Exercise Price	Weighted Average Remaining Life	Expiry Date
495,000	495,000	\$ 0.20	0.93	August 6, 2024
345,000	345,000	\$ 0.25	1.50	February 28, 2025
445,000	445,000	\$ 0.60	0.44	February 6, 2024
60,000	60,000	\$ 0.60	0.44	November 9, 2023
100,000	100,000	\$ 0.81	0.64	April 20, 2024
1,200,000	600,000	\$ 0.48	2.41	January 26, 2026
100,000	25,000	\$ 0.50	2.52	March 6, 2026
2,745,000	2,070,000	\$ 0.44	1.60	

Stock purchase warrants

A continuity of warrants are as follows:

	Six months ended August 31, 2023		Year ended February 28, 2023	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Warrants outstanding, beginning	5,375,420	\$0.46	-	n/a
Issued	3,022,950	\$0.50	5,375,420	\$0.46
Warrants outstanding, ending	8,398,370	\$0.47	5,375,420	\$0.46

The warrants outstanding and exercisable at August 31, 2023, are as follows:

Number of Warrants Outstanding	Exercise Price	Weighted Average Remaining Life	Expiry Date
1,148,750	\$ 0.60	1.18	August 4, 2024
1,111,316	\$ 0.60	1.22	August 19, 2024
43,243 ⁽¹⁾	\$ 0.50	1.22	August 19, 2024
1,969,091	\$ 0.35	1.56	December 20, 2024
32,000 ⁽¹⁾	\$ 0.35	1.56	December 20, 2024
1,030,908	\$ 0.35	1.62	January 13, 2025
40,112 ⁽¹⁾	\$ 0.35	1.62	January 13, 2025
3,000,000	\$ 0.50	1.80	March 17, 2025
22,950 ⁽¹⁾	\$ 0.50	1.80	March 17, 2025
8,398,370	\$ 0.47	1.36	

⁽¹⁾ Finders' warrants

7. FLOW-THROUGH SHARE PREMIUM LIABILITY

	August 31, 2023	February 28, 2023
Balance, beginning	\$ 11,044	\$ -
Share premium liability on flow-through shares	-	166,382
Recovery of flow-through share premium liabilities	(11,044)	(155,338)
Balance, ending	\$ -	\$ 11,044

On August 4, 2022, the Company issued 2,142,500 Flow-through Units at a price of \$0.45 per FT Unit, and on August 19, 2022, the Company issued further 1,185,135 Flow-through Units at a price of \$0.45 per FT Unit. The premium received on the FT Units issued was determined to be \$166,382 and was recorded as a share capital reduction. An equivalent premium liability was recorded and was being reduced as and when the qualified exploration expenditures occurred. During the six-month period ended August 31, 2023, the Company recorded \$11,044 in income that resulted from the flow-through share premium (2022 - \$63,020).

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**8. RELATED PARTY TRANSACTIONS**

Related parties include the Board of Directors, officers, key management personnel, close family members and enterprises that are controlled by these individuals. Key management personnel are those having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole.

The Company incurred the following transactions with related parties, including key management personnel:

	August 31, 2023	August 31, 2022
Consulting fees paid or accrued to the Company's CEO	\$ 12,000	\$ 12,000
Accounting fees paid or accrued to the Company's CFO	13,230	9,694
Consulting and investor relations fees paid to the Company's Corporate Secretary	19,779	21,154
Deferred exploration costs and general business consulting fees paid or accrued to an entity controlled by the Company's VP of Exploration	66,615	52,568
Project management fees and deferred exploration costs paid or accrued to an entity controlled by the common-law spouse of the Company's co-founder and major shareholder	14,253	113,065
Deferred exploration costs paid or accrued to a director of the Company	3,570	-
Directors' fees recorded as part of consulting expenses ⁽¹⁾	3,500	-
Share-based compensation for options granted to directors and officers	167,414	21,194
Total related party transactions	\$ 300,361	\$ 229,675

⁽¹⁾ Beginning on July 1, 2023, the Company's Board of Directors approved an annual fee of \$5,000 to be paid to each director of the Company and an additional annual fee of \$1,000 to be paid to the Chair of the Board of Directors.

Amounts due to related parties consist of amounts owed directly to the officers and directors of the Company, or to the companies controlled by them, for the professional services provided by them. These amounts are unsecured, non-interest bearing, and due on demand. At August 31, 2023, the Company owed a total of \$60,729 (February 28, 2023 - \$52,955) to its related parties.

In addition to the above transactions, on June 5, 2023, the Company issued 1,750,000 Common Shares to Global Drilling, and paid \$600,000 cash, as required under the Ruby Creek Option Agreement (December 2023 - 1,750,000 Common Shares, and a cash payment of \$300,000). The Common Shares were valued at \$533,750 (December 2023 - \$612,500) (Notes 5 and 6).

9. MARKETABLE SECURITIES

The Company's marketable securities consist of 1,000,000 common shares of Brixton (the "BBB Shares") valued at \$175,000 (February 28, 2023 - \$195,000). During the three-month period ended August 31, 2023, the Company recognized an unrealized gain of \$15,000 (August 31, 2022 - \$24,000 loss) pursuant to a change in the fair value of marketable securities. During the six-month period ended August 31, 2023, the Company recognized an unrealized loss of \$20,000 (August 31, 2022 - \$42,000) pursuant to a change in the fair value of marketable securities.

10. PREPAID EXPENSES

Prepaid expenses consisted of the following:

	August 31, 2023	February 28, 2023
Prepaid exploration costs	\$ 56,976	\$ 87,913
Prepaid operating expenses	66,929	39,764
Prepaid share issuance costs	-	5,903
Total prepaid expenses	\$ 123,905	\$ 133,580